



Town of Southern Shores

5375 N. Virginia Dare Trail, Southern Shores, NC 27949

Phone 252-261-2394 / Fax 252-255-0876

info@southernshores-nc.gov

www.southernshores-nc.gov

Resolution 2009-08-01

THE SUPPLEMENTAL RETIREMENT INCOME PLAN OF NORTH CAROLINA EMPLOYER-THIRD PARTY ADMINISTRATOR AGREEMENT

WHEREAS, the State of North Carolina (the "State") has adopted the Supplemental Retirement Income Plan of North Carolina (herein called the "Plan"), pursuant to which the State of North Carolina and its department, agencies and political subdivision are authorized to provide a supplemental retirement plan established in conformance with section 401 (k) of the Internal Revenue Code of 1986, as amended (the "Code"); and


WHEREAS, the State's Supplemental Retirement Board and the State's Retirement Systems Division of the Department of State Treasure have selected Prudential to be the Third-Party Administrator of the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained within the said agreement the receipt and sufficiency of which are hereby acknowledged, the Employer and the Third-Party Administrator hereby agree.

Adopted this the 4th day August, 2009.

SEAL

ATTEST


Carrie Gordin, Town Clerk


Don Smith, Mayor

**SUPPLEMENTAL RETIREMENT INCOME PLAN OF NORTH CAROLINA
EMPLOYER -THIRD-PARTY ADMINISTRATOR AGREEMENT**

THIS AGREEMENT, made on this 4th day of August, 2009, between the Town of Southern Shores (hereinafter called the "Employer") and The Prudential Insurance Company of America (hereinafter called Third-Party Administrator or Prudential) (the "Agreement"). This Agreement replaces and supersedes any prior agreement between the parties, effective upon final execution by all parties.

WITNESSETH:

WHEREAS, the State of North Carolina (the "State") has adopted the Supplemental Retirement Income Plan of North Carolina (hereinafter called the "Plan"), pursuant to which the State of North Carolina and its departments, agencies, and political subdivisions are authorized to provide a supplemental retirement plan established in conformance with section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the State's Supplemental Retirement Board and the State's Retirement Systems Division of the Department of State Treasurer have selected Prudential to be the Third-Party Administrator of the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein below, the receipt and sufficiency of which are hereby acknowledged, the Employer and the Third-Party Administrator hereby agree as follows:

ARTICLE I
DUTIES AND RESPONSIBILITIES OF THE EMPLOYER

A. Implementation of Plan

1. The Employer confirms that it made the decision to implement the Supplemental Retirement Income Plan of North Carolina via resolution. The employer agrees to provide a copy of such resolution, if available, to Prudential.

2. The Employer shall designate a coordinator for each unit to work with Prudential to select enrollment dates, determine the number of meetings needed and what employee notification of meetings will be required, and to make other decisions necessary to hold successful enrollment meetings.

3. The Employer shall provide time for its employees to attend a Plan informational meeting. The Employer agrees that employees representing all employee pay grades will be given the opportunity to attend the meetings. The Employer understands that the meetings are an important resource in making employees aware of their opportunity to participate in the Plan.

4. The Employer shall provide a facility to conduct Plan informational meetings for its employees.

5. The Employer shall publicize the meetings to all its employees by internal publication, meeting notices provided by the Third-Party Administrator and through other media agreed to by its coordinator and the Third-Party Administrator.

B. Operation of Plan

1. The Employer shall have sole responsibility for determining which of its employees are eligible to participate in the Plan in accordance with eligibility requirements established by the Plan or North Carolina General Statutes or the Employer, where applicable, both with respect to elective deferral contributions and with respect to sharing in the allocation of any Employer contributions made pursuant to Article VII. The Employer will advise the Third-Party Administrator each month of any "new enrolled" employee who is eligible to participate in the Plan. The Employer also will advise the Third-Party Administrator each month of any participant in the Plan who has terminated their employment, the date of termination, and the reason for the separation from service.

2. The Employer shall provide payroll deductions for all contributions, pre-tax and Roth, to the Plan and all loan repayments to the Plan. The Employer shall modify its payroll application to comply with specifications required by the Third-Party Administrator of the Plan. This includes the format of the deduction report for the delivery of contributions and loan repayments to the Third-Party Administrator. The Employer shall notify the Third-Party Administrator of any changes in payroll frequency, the frequency of payroll deductions, or change in status.

3. The Employer shall deliver the remittance files, loan payment files, and the funds for these reports to the location provided by the Third-Party Administrator.

4. The Employer agrees that employee voluntary contributions to the Plan and loan repayments will not be suspended, modified or terminated for a participant unless so instructed by the Third-Party Administrator based on the participant's actions with the Third-Party Administrator.

5. The Employer agrees to comply with all operating procedures established by the Third-Party Administrator of the Plan. It understands that the procedures may be modified or

revised from time to time, and the Employer agrees to comply with revisions and modifications without delay upon receipt of adequate notice of such modifications.

6. The Employer shall inform the Third-Party Administrator in advance of any changes in the Employer's benefit or compensation programs that affect the operation or administration of the Plan.

7. With respect to Sworn Law Enforcement Officers, the Employer agrees that if Employer contributions are not remitted in a timely manner and as a result, the Court Cost allocations are not made, the Employer shall be solely responsible for remitting the funds necessary to make up the missing Court Costs.

8. The Employer may request that the Third-Party Administrator refund a contribution made within the preceding 12 months on account of a mistake of fact, as defined by the Internal Revenue Service, and the Third-Party Administrator shall grant such request.

9. The Employer shall furnish the Third-Party Administrator all documents, data and other information necessary for the Third-Party Administrator to perform its duties under this Agreement. The Employer shall be solely responsible for the accuracy of any documents, data, or other information provided to the Third-Party Administrator by the Employer or by any other person or entity having responsibilities with respect to the Plan. If the Employer fails to provide any such requested information, the Third-Party Administrator shall be obligated to perform its duties under this Agreement only insofar as it is able to do so with the information available. All information required to be furnished by the Employer shall be transmitted in the medium and form acceptable to the Third-Party Administrator. The Third-Party Administrator will be entitled to rely fully on the accuracy and completeness of information submitted by the Employer and will have no duty or responsibility to verify such information.

10. The Employer shall be responsible for ensuring that the Plan complies with section 415 of the Internal Revenue Code of 1986 (the "Code") with respect to the Employer's

employees and for performing all testing needed to maintain such compliance. The Third-Party Administrator will provide the Employer with reports to help them monitor contribution totals.

11. The Employer shall comply with the Uniformed Service Employment and Re-employment Rights Act of 1994 regarding participation in the Plan by participants with military service. The Plan allows an Employer to permit an employee who meets the criteria of the Uniformed Service Employment and Re-employment Rights Act of 1994 the opportunity to “catch-up” salary deferrals to the Plan that were not made during the time they were on active duty. Loan repayments are suspended during the period the Plan participant is on active duty.

ARTICLE II

RESPONSIBILITIES OF THE THIRD-PARTY ADMINISTRATOR

A. Implementation of Plan

1. The Third-Party Administrator shall assist the Employer’s coordinator in scheduling Plan informational meetings, provide the employer with meeting notification materials, including but not limited to posters, handbills, press release-type articles and payroll stuffers that are mutually acceptable to the Employer coordinator and the Third-Party Administrator.

2. The Third-Party Administrator shall present the Plan and its benefits to the employees and enroll them in the Plan.

3. The Third-Party Administrator shall provide brochures, enrollment forms, payroll deduction authorization forms, withdrawal forms, loan applications and other forms relating to loans, as well as other forms needed to fulfill the duties as Third-Party Administrator. For purposes of this paragraph, “form” shall also mean a facility for electronic processing of participant requests.

B. Operation of Plan

1. The Third-Party Administrator shall maintain a record of each participant's contributions and shall invest his/her contribution in the fund(s) selected by the participant. Third-Party Administrator's services will be provided in a professional and competent manner.

2. The Third-Party Administrator shall provide the participant with a quarterly statement of his/her account, which shows the value of the participant's account.

3. The Third-Party Administrator shall allow the participant to borrow from his/her account when he/she has complied with the eligibility requirements established by the Third-Party Administrator and the Plan as permitted by federal regulations, the Plan and the Third-Party Administrator.

4. The Third-Party Administrator shall provide the participants withdrawal options including lump sum distribution and periodic payments in accordance with the Plan and the Code.

5. The Third-Party Administrator shall provide participants in the Plan who become entitled to receive a distribution from the Plan with all appropriate notices and election forms concerning such distribution. The Third-Party Administrator is responsible for proper reporting of all distributions from the Plan and the withholding of income taxes as required by the Plan and the Code.

6. The Third-Party Administrator shall provide administrative and operating procedures for the Employer.

7. It is agreed and understood that the Third-Party Administrator assumes no fiduciary responsibilities with respect to its administration of the Plan. The Third-Party Administrator is the agent of the Plan, the State Treasurer and the Plan's Board of Trustees. The

Third-Party Administrator is not the “plan administrator” as defined by the Employee Retirement Income Security Act of 1974. It is understood and agreed that the Third-Party Administrator does not provide legal or tax counsel to the Employer or to any participant or beneficiary and that the Third-Party Administrator recommends that all such parties obtain legal and tax advice from competent, independent sources. Nothing in this Agreement shall be deemed to confer on the Third-Party Administrator any federal or state tax liability, which may be imposed upon the Employer or any participant or beneficiary.

ARTICLE III

PLAN PARTICIPATION

The Employer and the Third-Party Administrator jointly agree to promote the Plan and encourage participation in the Plan by all pay grades of the Employer. This will require that initial enrollment meetings be held with all eligible employees to ensure that they are aware of the benefit and value of participating in the Plan. The Employer agrees to promote the Plan on an on-going basis by conducting periodic meetings with eligible employees, utilization of posters, newsletter articles, payroll stuffers, and other agreed upon communications.

ARTICLE IV

CONFIDENTIAL NATURE OF INFORMATION

The parties hereto mutually agree to the extent permitted by law to safeguard and keep confidential any and all information obtained from the other party with respect to the personnel of the State and each participant or, any other data identified in writing by either party to the other party as being confidential.

ARTICLE V
DURATION OF THE AGREEMENT

This Agreement shall become effective when signed by all parties and shall continue in effect indefinitely, but in no event for less than five years, except as provided below in Article VI.

ARTICLE VI
TERMINATION OF AGREEMENT

1. Either party may terminate this Agreement upon giving six months advanced written notice to the other party, provided that the non-terminating party may waive such notice requirement. The termination of this Agreement *does not* terminate the Plan in which the Employers' employees are participating or require a distribution of accounts of the participating employees from the Plan. The termination of this Agreement relieves the Employer from taking deductions and loan repayments from the participating employee's pay and remitting them to the Third-Party Administrator.

2. The State may terminate the Plan at any time through the enactment of laws.

3. This Agreement shall terminate if the State terminates its Agreement with Prudential by which Prudential is obligated to serve as Third-Party Administrator.

4. This Agreement shall terminate if the Trustees discontinue the Plan.

ARTICLE VII
EMPLOYER PAID CONTRIBUTIONS

The Employer may, in its discretion, make contributions to the Plan on behalf of its eligible employees upon approval by the Third-Party Administrator provided such contributions are nondiscriminatory. If an Employer requests approval for applying Employer-paid

contributions to the Plan (other than those mandated by law), the exact nature and application of the proposed contribution allocation method shall be described in writing and submitted to the Third-Party Administrator to review.

If a proposed Employer contribution is found to be within guidelines of the Code, and the Plan document, and compatible with operational procedures as provided by the Third-Party Administrator of the Plan, the Employer is required to take the following actions prior to implementation:

- (a) Submit a resolution describing the contribution and the employee group covered to the Third-Party Administrator
- (b) Submit an executed agreement containing Article VII to the Third-Party Administrator
- (c) Agree to comply with reporting procedures outlined by the Third-Party Administrator.

The Employer agrees to remit payroll deductions for Plan contributions, loan repayments and any employer contribution to the Plan on behalf of the employee participating in the Plan, to the Third-Party Administrator on the same frequency of the payroll, but no less than once each month.

In the event an Employer proposes to implement an Employer contribution on a match basis or an Employer contribution that does not otherwise provide a proportionate benefit for all eligible employees regardless of length of service or job classification, review and approval by the Third-Party Administrator is required.

Once an Employer contribution to the Plan has been established in accordance with the above, the Employer agrees to advise the Third-Party Administrator in advance of any proposed change in the Employer contribution. The Third-Party Administrator shall inform the Employer whether the proposed change is acceptable based upon the Code, the Plan document, and the Third-Party Administrator's operating procedures. If the Employer contribution is found to be

within the Code, and the Plan document, and compatible with operational procedures as provided by the Third-Party Administrator of the Plan, the Employer is required to provide the Third-Party Administrator with a written description of the employer contribution to include the effective date of the change, the employee group covered, and the rate and method of allocation.

ARTICLE VIII

MISCELLANEOUS

1. The Supplemental Retirement Income Plan of North Carolina will conform to the Internal Revenue Code of 1986, as amended.

2. The Agreement shall be interpreted under the laws of the State of North Carolina.

3. All items specified in the Agreement, exhibits, or attachments shall be the current Eastern Time.

4. The Employer will make available to the Third-Party Administrator, the Department of the State Treasurer, and an auditor appointed by the Third-Party Administrator or the Board of Trustees its records of contributions and loan payments submitted to the Plan for the purposes of an audit. The Employer will also make available its documents pertaining to its employees' deferral elections and other documents deemed necessary by the Third-Party Administrator to audit the Plan.

5. This Agreement is intended by the parties as a final expression of their agreement and is a complete and exclusive statement of its terms. No other representation, understanding, or agreements have been made or relied upon in the making of the Agreement other than those specifically set forth herein. No modification or waiver of any provision of this Agreement and no consent to any departure therefrom shall be effective unless such modification or waiver shall be in writing and signed by all parties to the original agreement.

IN WITNESS THEREOF, the parties hereto do hereby sign and execute this Agreement
as of the date first above written.

Town of Southern Shores
Name of Employer (Please Type or Print)

By: Bonnie M. Swain
(Signature)

Bonnie M. Swain
(Please Type or Print Name Signed Above)

Its: Finance Officer
(Please Type or Print Official Title)

Date: 8/4/09

PRUDENTIAL

By: _____

Date: _____

(Revised (10/29/08))

Resolution #0062-86
THE SUPPLEMENTAL RETIREMENT INCOME PLAN OF NORTH CAROLINA

RESOLUTION

WHEREAS, the State of North Carolina, by action of the 1984 General Assembly, has adopted the Supplemental Retirement Income Plan of North Carolina pursuant to which the State of North Carolina, its departments, agencies and instrumentalities are authorized to provide a supplemental retirement income plan to conform with Section 401(k) of the Internal Revenue Code of 1954 as amended, and

WHEREAS, the governing body of this unit realizes the necessity of providing its employees with the benefits of the Supplemental Retirement Income Plan of North Carolina.

NOW, THEREFORE, be it resolved by the Town Council in regular session,

1. That the Town Council hereby elects to participate in the Supplemental Retirement Income Plan of North Carolina for law enforcement officers and/or the general employees.
2. That the Town Council hereby agrees to comply with all the provisions of the Plan and the operating procedures of the Administrator of the Plan.
3. That the Town Clerk is hereby ordered and directed to make application to the Board of Trustees of the Supplemental Retirement Income Plan of North Carolina for the enrollment of this Unit and its employees in said Plan.

Upon motion of Kern Pitts and seconded by

Harold Via, the above resolution was

introduced and approved on the 4th day of March, 1986.

Date March 4, 1986

Rae M. Smithhouse
Clerk to the Board

SUPPLEMENTAL RETIREMENT INCOME PLAN OF NORTH CAROLINA

EMPLOYER - ADMINISTRATOR

AGREEMENT

THIS AGREEMENT, made on this 4th day of March, 1986
between the Town of Southern Shores
(hereinafter called the employer) and BB&T State 401(k) Services
(hereinafter called Administrator)

WITNESSETH:

WHEREAS, the State of North Carolina has adopted the Supplemental Retirement Income Plan of North Carolina (hereinafter called the "Plan"), pursuant to which the State of North Carolina and its departments, agencies, and instrumentalities are authorized to provide a supplemental retirement plan established in conformance with Section 401(k) of the Internal Revenue Code of 1954 as amended, and

WHEREAS, the State's Retirement Committee and the State's Retirement and Health Benefits Division of the State Treasurer has selected Branch Banking and Trust Company (BB&T) of Wilson to be Administrator of the Plan.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein below, the receipt and sufficiency of which are hereby acknowledged, the Town of Southern Shores
(employer) and BB&T (administrator) hereby agree as follows:

ARTICLE I

Duties and Responsibilities of the EMPLOYER

1. Make the decision to implement the Supplemental Retirement Income Plan of North Carolina. When a State Department, Agency, Division or Unit makes the decision to do so, the Secretary of the Department or appropriate officer should advise BB&T of this decision in writing. A local government entity can make the decision by having the commissioners or aldermen adopt a resolution to provide the Plan to its employees. When this has been done, they should advise BB&T of their decision in writing.
2. Designate a coordinator for your unit to work with the BB&T Enrollment Counselor in selecting enrollment dates, the number of meetings needed, employee notification of meetings that will be required, and other decisions necessary to hold enrollment meetings.
3. Provide time for the employee to attend an enrollment meeting. The Employer agrees that the meetings will be attended by employees representing all employees' pay grades. This will be accomplished even if mandatory attendance is required. Attendance is necessary so that all employees can be aware of their opportunity for the employee benefit. Also it is essential for all levels of employees to become aware of the Plan so that everyone has an opportunity to enroll in the Plan in order for the Plan to have favorable anti-discrimination results.

4. Provide a facility to conduct enrollment meetings for your employees.
5. Publicize the meeting to all your employees by internal publication, meeting notices provided by the Administrator and thru other media agreed to by your coordinator and the Administrator.
6. Provide payroll deductions for Plan Contributions and Plan Loan Repayments. Modify your payroll application to comply with specifications required by the Administrator of the Plan. This includes the format of the deduction report for the delivery of contributions and loan repayments to the Administrator.
7. The employer has the responsibility to deliver the contributions report, loans payment report, and the funds for these reports to the Administrator's Operations Department.
8. Notify the Administrator of "new hires" who have joined the Plan and of terminations who did not make a current month contribution and/or loan repayment providing the reason for termination, such as retirement, separation from service, leave of absence, disability, etc.
9. Agrees that unless authorized by the Administrator that contributions to the Plan will not be suspended, modified or terminated for a participant. This also applies to Plan loan repayments.

10. The employer agrees to comply with Operating Procedures established by the Administrator of the Plan. It is understood that the procedures may be modified or revised from time to time and the employer agrees with adequate notice to comply with revisions and modifications without delay.

ARTICLE II

Responsibilities of the ADMINISTRATOR

1. Assist the EMPLOYER'S coordinator in scheduling enrollment meetings, provide the employer with meeting notification materials, to include but not limited to posters, handbills, press release type articles, payroll stuffers, etc., that is acceptable to the employer coordinator and the Administrator.
2. To present the Plan and its benefits to the employees and enroll them in the Plan.
3. To provide brochures, enrollment forms, payroll deduction authorization forms, withdrawal forms, loan applications and other forms relating to loans, as well as other forms needed to fulfill the duties as Administrator of the Plan.
4. To maintain a record of each participant's contribution and to invest their contribution in the fund(s) selected by the participant.

5. To provide the participant with a statement of their account twice a year which shows the value of their account.
6. To allow the participant to borrow from their account when they have complied with the eligibility requirements established by the Administrator and the Plan as permitted by Federal Regulations, the Plan and Administrator.
7. To provide the participants withdrawal options including lump sum distribution and periodic payments in accordance with the Plan and the Internal Revenue Code of 1954, as it may be amended.
8. To provide administrative and operating procedures for the employer.

ARTICLE III

Required Plan Participation

An Employer and the Administrator must jointly be successful in obtaining satisfactory participation from employees of all pay grades of the employer. BB&T, as Administrator of the State 401(k) Plan, is obligated to insure favorable anti-discrimination testing results. When an employer does not have satisfactory voluntary participation from the upper and lower paid employees, employers will be subject to limited enrollment of all employees excluding enrollments resulting from employer contributions as mandated by law.

ARTICLE IV

Confidential Nature of Information

Each of the parties hereto agree to the extent permitted by law to mutually safeguard and keep confidential any and all information obtained from the other party with respect to the personnel of the State and each participant or any other data identified in writing by either party to the other party as being confidential.

ARTICLE V

Duration of the Agreement

This agreement shall become effective when signed and shall be continued for an indefinite term.

ARTICLE VI

Termination of Agreement

1. Upon giving six (6) months advanced written notice, either party to this agreement may terminate the agreement.
2. The State, through the enactment of laws, requires the termination of the Plan.
3. The State terminates the agreement that Branch Banking and Trust serve as administrator of the Plan.
4. The "Trustees" make the decision to discontinue the Plan.

ARTICLE VII

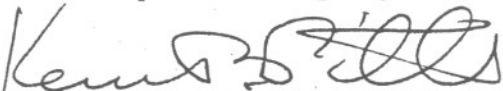
Miscellaneous

1. The Supplemental Retirement Income Plan of North Carolina will conform to the Internal Revenue Code of 1954 and amendments to the Code.
2. This Agreement shall be interpreted under the laws of the State of North Carolina.
3. All times specified in the Agreement, Exhibits, or Attachments shall be the current time in Raleigh, North Carolina.
4. No modification or waiver of any provision of their agreement and no consent to any departure therefrom shall be effective unless such modification or waiver shall be in writing and signed by all parties to the original agreement.

IN WITNESS THEREOF, the parties hereto do hereby sign and execute this agreement as of the date first above written.

Town of Southern Shores
Type Name of Department, Agency Etc.

Employer

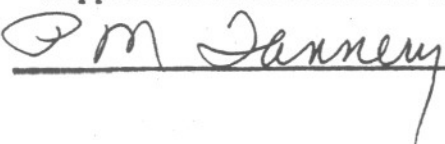
By 
Signature of Employer Official

Mayor

Date March 4, 1986

Branch Banking and Trust Company, Administrator

Supplemental Retirement Income Plan of North Carolina

By 
-7-

Date 3-19-86

17 MAR 86 9:38

Resolution # 0062-86